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Adoption of the report of the Committee on the work of its forty-third session

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Addendum

Programme questions: proposed programme budget for the biennium 2004-2005

Item 4 (a)

Foreword and introduction

1. At its 9th and 10th meetings, on 16 and 17 June 2003, the Committee for Programme and Coordination considered the foreword and introduction to the proposed programme budget for the biennium 2004-2005 (A/58/6 (Introduction)).

2. The representative of the Secretary-General introduced the document and responded to queries raised during the Committee's consideration of the budget section.

Discussion

3. The presentation of the proposed programme budget for the biennium 2004-2005 in a shorter, more strategic format was welcomed. It was noted that the overall approach is set out clearly in a concise, reader-friendly format. Appreciation was expressed for a number of elements underlying the overall budget, namely, the expansion and reinforcement of results-based budgeting, the reflection of specific gender-dimension issues in the logical framework and the clear identification of the Secretary-General's proposed initiatives aimed at further strengthening the United Nations. It was noted that a shorter budget format could also result in increased requests for documentation.

4. Appreciation was expressed for the clarity with which the foreword and introduction set out the programmatic objectives of the Organization for 2004-2005

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in accordance with the medium-term plan for 2002-2005 and incorporated the measures and proposals of the Secretary-General consequent to the adoption by the General Assembly of resolution 57/300 of 20 December 2002.

5. Satisfaction was expressed with the efforts by the Secretary-General to improve the results-based budgeting format, taking into account particularly the recommendations of the Committee. It was observed that results-based budgeting was being implemented in a gradual and incremental manner and that the Secretary-General should continue his efforts to improve the format. The view was expressed that some expected accomplishments and indicators of achievement in the proposed programme budget did not reflect precisely those in the medium-term plan for 2002-2005. The view was also expressed that while efforts had been made to quantify indicators of achievement, further efforts should be made in future proposed programme budgets to draw clear linkages between objectives, expected accomplishments, indicators of achievement and outputs. Concern was expressed that some external factors included internal factors within the control of the Secretariat.

6. The extension of the results-based budgeting framework to the executive direction and management components of the budget was welcomed. The incorporation of baselines and targets in the budget for the measurement of indicators of achievement was also welcomed. However, it was noted that in many sections of the budget, these baselines and targets had not yet been established for specific accomplishments and indicators of achievement, thereby limiting the ability of Member States and programme managers to measure real programme impact.

7. It was noted that there were still cases where the objectives and expected accomplishments were too general and the indicators of achievement lacked practical applicability. It was also pointed out that the 900 indicators of achievement in the budget were far too many, and some were difficult to measure. It was acknowledged that this was only the second budget to be submitted in a results-based format and that results-based budgeting was not an end in itself. The formulation and application of indicators of achievement should reflect the unique character of the United Nations. In addition, care should be taken so that results-based budgeting would provide full justification.

8. It was pointed out that the availability of financial resources stemming from contributions to the regular budget should not be considered an external factor, since the availability of these resources is integral to the results-based budgeting planning and logical framework.

9. It was noted that the budget document contained concrete proposals to continue the efforts to strengthen the United Nations, and that these measures were highlighted in the foreword and introduction. The inclusion of information on subsequent General Assembly resolutions on these initiatives would have facilitated the discussion and review of the document. More detailed information on the efforts to implement the follow-up activities to major international conferences and the Millennium Development Goals would also have been helpful.

10. It was recalled that the General Assembly was receptive to the Secretary-General's proposal for a shorter format, with the understanding that budget proposals should fully justify resource requirements and better reflect the medium-term plan, the Millennium Declaration and the outcomes of major international

conferences. It was emphasized that the medium-term plan should continue to be the basis for the budget and that the Millennium Development Goals should serve as a guide. Due care should be taken in reflecting elements of the Millennium Declaration and reform initiatives in the budget.

11. Full agreement was expressed with the Secretary-General on the principle that redeployment from activities of marginal utility constitutes the main means of responding to new priorities, in accordance with approved mandates.

12. Great importance was attached to the process of prioritization identified in the Secretary-General's report on strengthening the United Nations. Support was expressed for the principle that redeployment from activities of marginal utility constituted the main means of responding to new priorities, consistent with approved mandates. The view was expressed, however, that more information was required about the actual degree of prioritization in the proposed programme budget for 2004-2005, the extent to which resources had been shifted between competing activities, the financial implications of such shifts and the degree to which programme managers had been able to identify low-value activities and recommended termination. It was stated that any reallocation of resources should comply with the priorities established in the medium-term plan and should not adversely affect the ability of the Organization to implement the development goals. It was noted that most of the financial redeployment described in paragraph 15 of the introduction related to funds freed up by one-time items and provisions for special political missions.

13. It was recalled that General Assembly resolution 57/300 emphasized that reform should not be viewed as a budget-cutting exercise and that the efforts of the United Nations to implement the development goals should be further strengthened through enhanced mechanisms, adequate resources and effective follow-up actions.

14. It was recalled that regulation 5.6 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation required identification of outputs that could be discontinued because they were obsolete, of marginal usefulness or ineffective. General Assembly resolution 57/300 again specifically requested the Secretary-General to implement regulation 5.6 and rule 105.6. It was acknowledged that the proposed programme budget contained a discontinuation of 912 outputs, an improvement over the discontinuation of 27 outputs in the last proposed budget, but that substantially more could be done in this regard.

15. Concern was expressed that in nearly half the sections not one obsolete output had been presented, leaving the impression that some programme managers did not respond appropriately to this requirement. In order to discuss new priorities, obsolete programmatic activities must first be identified. It was recalled that in accordance with General Assembly resolution 31/93 of 14 December 1976, the Committee for Programme and Coordination was instructed to determine which programmes or subprogrammes were obsolete, of marginal usefulness or ineffective and to recommend, as appropriate, their curtailment or termination. Accordingly, it was requested that more information be provided by programme managers responsible for sections that had not adequately identified outputs to be discontinued.

16. It was stated that, in accordance with regulation 5.8 of the Regulations and Rules Governing Programme Planning, the Committee should prepare a report on

the proposed programme budget containing its programme recommendations and its general assessment of the related resource proposals. In this connection, the view was expressed that a thorough reprioritization of programmes should be conducted and additional activities should be absorbed through redeployment of resources from lower priorities to higher priorities.

17. Concern was expressed regarding potential duplication of activities within and among United Nations duty stations. A clear division of labour was sought in several areas, including between the regional commissions and the Department of Economic and Social Affairs, and between the Department of Management and the executive offices. It was noted that duplication was difficult to monitor given that the budget is presented in fascicle format. The absence in the introduction of any references to efforts to eliminate programmatic or administrative duplication, as requested by the General Assembly in resolution 56/253 of 24 December 2001, was noted. The distinctive responsibilities between United Nations duty stations and the regional economic commissions should be made explicit in future proposed programme budget documentation.

18. Great interest was expressed in the possible contribution of information technology to improving the productivity of the Organization. The budget proposed, however, did not fully reflect or support the vision set out in the proposed information technology strategy.

19. Concern was expressed that despite high investments in information technology, training and management improvement measures, the budget proposal started with a request for additional posts and reclassifications. It was noted that in some new areas of work, new positions reflected priorities approved by the General Assembly in resolution 57/300, but offsetting reductions in other areas had been expected.

20. It was pointed out that the information on the question of the post structure of the United Nations Secretariat, which the General Assembly had requested in its decision 57/574 of 20 December 2002, was not fully provided in the proposed programme budget. It was stated that upward reclassifications should be accompanied by corresponding downward reclassifications.

21. Support was expressed for the heightened emphasis on Africa and the new United Nations support structures for the New Partnership for Africa's Development and the strengthening of the regular budget component of the United Nations Office at Nairobi. Support was also expressed for the establishment of a new Assistant Secretary-General post to support policy coherence and management and a Financing for Development Office in the Department of Economic and Social Affairs.

22. It was noted that public information efforts, including libraries and publications, were very important. While support was expressed for the rationalization of United Nations Information Centres beginning in Europe, concerns were also raised as to whether any real need exists for such rationalization. It was also noted that the rationalization of the United Nations Information Centres beyond Western Europe was not yet reflected.

23. It was noted that the proposed programme budget for 2004-2005 includes a number of transfers between sections of the programme budget. Concerns were expressed regarding these transfers, particularly the transfer of the technical

secretariats of the Fifth and Sixth Committees from sections 29 and 8 to section 2, and the transfer of the Cartographic Section from section 28 to section 5.

24. It was noted that the budget for 2004-2005 reflects the Secretary-General's proposals regarding the discontinuation of the *Repertory of Practice of United Nations Organs*. Concerns were raised regarding the proposed discontinuation of the *Repertory*, and the view was expressed that resources for the *Repertory* should be included in the programme budget for 2004-2005.

25. The increased focus on training of staff was noted. Support was expressed for proposals included in the budget to address the need for investment in staff training in 2004-2005. However, concern was also expressed regarding the level of training activity required for the period.

26. The improved presentation of information technology requirements was noted. The view was expressed that efficiency benefits derived from enhancing information technology were not specifically and concretely indicated, and that justification in each section would be required for information technology. It was noted that significant investments have been made in the information technology and communication needs of the Organization and emphasized that these should be harnessed properly in all the regional commissions and duty stations for more efficiency and effectiveness.

27. It was noted that extrabudgetary resources continue to play a significant role in the activities of the Organization. It was also pointed out that only limited information in this regard had been provided in paragraphs 96 to 98 of the introduction. Concerns were expressed about the considerable share of operational activities financed through extrabudgetary funds. The view was expressed that, since the Office of the United Nations High Commissioner for Human Rights deals with core activities of the United Nations, most of its activities should be funded through the regular budget. The proposed increase in resources would contribute to a more balanced funding structure of the Office. It was also noted that as a result of the Secretary-General's measures to strengthen the United Nations Office at Nairobi, the total regular budget under section 29G for 2004-2005 would exceed extrabudgetary resources for the first time since the establishment of that Office.

28. Having examined the overall pattern of proposed resource allocation, the Committee noted that the risk to the discharge of core functions resulting from excessive reliance on extrabudgetary resources should be reduced by progressively increasing the share of the regular budget devoted to human rights and humanitarian affairs. This would also better reflect the objectives of the Organization set out in the Charter and the programme objectives defined in the medium-term plan.

29. It was noted that better programme monitoring and evaluation were needed and that the results should be reflected in the next budget. It was pointed out that a shorter budget was not necessarily a more strategic one, and that the Secretary-General had acknowledged in his reform report that one of the impediments was that programme performance measurement and evaluation were not well linked to the planning and budget cycle. A strategic approach to the planning and budget cycle required the capacity to learn from past experience and as a step towards addressing this, performance and evaluation reporting should be more integrally aligned within the programme budget cycle.

Conclusions and recommendations

30. **The Committee recommended that the General Assembly approve the narrative part of the foreword and introduction of the proposed programme budget for the biennium 2004-2005, subject to the following.**

31. **The Committee welcomed the efforts by the Secretary-General to improve the results-based budgeting format taking into account particularly the recommendations made by the Committee at its forty-first session, as adopted by the General Assembly in its resolution 56/253.**

32. **The Committee recommended that the General Assembly request the Secretary-General to encourage programme managers to continue their efforts to improve the presentation of the proposed programme budget in the light of the views expressed in the Committee.**

33. **The Committee viewed the revised format of the proposed programme budget as representing progress towards the development of the shorter and more strategic presentation mandated by the General Assembly, while providing Member States with adequate information to make informed decisions.**

34. **The Committee noted that external factors are too general and too broad in scope in some fascicles and recommended that the General Assembly request the Secretary-General to review these factors and retain only those that relate strictly to the indicators of achievement of the Secretariat in such fascicles.**

35. **The Committee agreed that the preparation of a strategic budget requires that future cycles benefit from the experience of preceding ones, and recommended that the General Assembly request the Secretary-General to make proposals to the Assembly at its fifty-ninth session on the better alignment of programme performance and evaluation reporting with the budget cycle, as well as to ensure full implementation in the Organization of all regulations and rules concerning evaluation, in particular those of article 7 of the Regulations and Rules Governing Programme Planning, including those concerning self-evaluation.**

36. **The Committee recalled paragraph 64 of General Assembly resolution 56/253.**

37. **The Committee took note of the indicators of reprioritization presented by the Secretary-General, but regretted that the reprioritization was not persuasively presented, bearing in mind that the bulk of the financial redeployment described in paragraph 15 related to funds freed up by one-time items rather than programmatic choice.**

38. **The Committee expressed its concern at the very limited and inconsistent compliance with rule 5.6 of the Regulations and Rules Governing Programme Planning, in particular the absence in many parts of the budget of any recommendations for the deletion of outputs.**

39. **The Committee noted the absence in the introduction of any references to efforts to eliminate administrative duplication, as requested by the General Assembly in resolution 56/253.**

40. **The Committee welcomed the application of the results-based framework to the executive direction and management elements of programmes and the introduction of baselines and targets as tools to help measure performance. The Committee nevertheless saw room for improved application of the results-based framework and noted that many of the objectives, expected accomplishments and indicators of achievement were generic, very general and not amenable to measurement.**

41. **The Committee recalled that rule 105.4 of the Regulations and Rules Governing Programme Planning requires that outputs contribute clearly to a subprogramme objective identified in the medium-term plan and that expected accomplishments shall be objective, feasible and pertinent to the work carried out. The Committee recommended that the General Assembly request the Secretary-General to ensure that expected accomplishments and indicators of achievement are formulated in such a way as to give a clear indication of the progress the Organization would make towards the accomplishment of objectives set.**

42. **The Committee noted that few sections of the proposed programme budget included performance measures related to executive direction and management and recommended that such performance measures be provided to the General Assembly in all sections of the proposed programme budget for 2004-2005.**

43. **The Committee recommended that in all cases the indicator of achievement "full utilization of resources" be replaced with "the efficient and effective use of resources".**

44. **The Committee recommended that all references to "the Millennium Declaration Goals" and "the Millennium Development Goals" be replaced with "internationally agreed development goals, including those contained in the United Nations Millennium Declaration and in the outcomes of the major United Nations conferences and international agreements since 1992".**

45. **The Committee welcomed the improved presentation of information technology requirements, while recognizing that it reflected incompletely the proposals set out in the information and communication technology strategy (57/620) and the General Assembly's comments thereon in its resolution 57/304 of 15 April 2003.**

46. **With regard to its review of those sections of the proposed programme budget covering the regional commissions, recalling paragraph 69 of General Assembly resolution 56/253, the Committee:**

(a) **took note of evidence of some streamlining of meetings and publications, but recommended further efforts in this regard and in other activities, particularly those benefiting from the impact of information technology;**

(b) **requested that resulting efficiency savings be identified where possible in future documentation;**

(c) **requested in particular that activities regarding collection and distribution of statistical information be examined with a view to eliminating**

possible overlap with United Nations statistical analysis conducted at other United Nations duty stations.

47. The Committee noted that the proposed programme budget does not include the information requested in paragraph 74 of General Assembly resolution 56/253 and further noted that no report has been submitted to the General Assembly in this regard despite its request contained in the same paragraph of that resolution.

48. The Committee took note of the proposal of the Secretary-General to discontinue the preparation of the *Repertory of Practice of United Nations Organs*, and recommended that the proposal be further considered by the General Assembly at its fifty-eighth session, taking into account the relevant mandates.

49. The Committee took note of the proposal to integrate the technical secretariats of the Fifth and Sixth Committees into the Department of General Assembly and Conference Management, and recommended that the proposal be further considered by the General Assembly at its fifty-eighth session in the context of the proposed programme budget for 2004-2005.

50. Relating to paragraph 1 of the introduction, the Committee understood that the proposed programme budget was requested in accordance with the revised medium-term plan for the period 2002-2005, in accordance with the Regulations and Rules Governing Programme Planning, and with guidance from the priorities and preliminary indicative estimates of resources reflected in the programme budget outline (A/57/85), which was approved by the Assembly in its resolution 57/280 of 20 December 2002, taking into account General Assembly resolution 57/300.

51. Relating to paragraph 3 of the introduction, the Committee understood that the proposed programme budget took into account the full scope of the Regulations and Rules Governing Programme Planning, while emphasizing paragraph 4 of General Assembly resolution 57/300.

52. The Committee understood paragraph 70 of the introduction to respond to paragraph 26 of General Assembly resolution 57/300.

53. The Committee considers that the annex provided to the Advisory Committee on Administrative and Budgetary Questions with the detailed technical costing information could also be provided to Member States at their request.

54. The Committee noted the introduction of the new element of results-based budgeting called "performance measures" and in this regard recommended that the General Assembly approve its inclusion as one of the elements of the results-based budgeting format.

55. The Committee recommended that the Secretary-General submit to the General Assembly for consideration, in the context of the proposed programme budget for 2004-2005, a consolidated report for the following sections, identifying outputs proposed for termination, or a clear explanation of why none should be terminated: Section 1, Overall policy-making, direction and coordination; Section 3, Political affairs; Section 5, Peacekeeping operations; Section 17, International drug control; Section 22, Economic and social

development in Western Asia; Section 23, Regular programme of technical cooperation; and Section 29 (A-G), Management and central support services.

56. **The Committee recommended that the General Assembly carefully review at its fifty-eighth session section A of the foreword and introduction, including its context in the light of all relevant mandates of the General Assembly resolution.**